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2014/2015
中期報告 INTERIM REPORT

LISI GROUP (HOLDINGS) LIMITED
利時集團(控股)有限公司

(incorporated in Bermuda with limited liability) (於百慕達註冊成立之有限公司)
Stock Code 股份代號：526

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr LI Lixin *(Chairman)*
Mr CHENG Jianhe
(Chief Executive Officer)
Ms JIN Yaxue

Non-Executive Directors

Mr LAU Kin Hon

Independent Non-Executive Directors

Mr HE Chengying
Mr SHIN Yick Fabian
Mr CHEUNG Kiu Cho Vincent

COMPANY SECRETARY

Mr LAU Kin Hon

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton
HM11, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Workshop 06-07, 36/F King Palace Plaza
No. 52A Sha Tsui Road, Tsuen Wan
New Territories, Hong Kong

SECURITIES CODE

Hong Kong Stock Code: 526

WEBSITE ADDRESS

http://www.lisigroup.com.hk

PRINCIPAL BANKERS

Bank of Communications, Shenzhen and Ningbo Branches, the Perople's Republic of China (the "PRC")
Bank of Ningbo, PRC
China Construction Bank, Ningbo Branch, PRC
The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street, Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

The board of directors (the "Board") of Lisi Group (Holdings) Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2014 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2014 – unaudited
(Expressed in Renminbi ("RMB"))

	Note	**Six months ended 30 September**	
		2014	2013
		RMB'000	*RMB'000*
			Restated
		(Unaudited)	(Unaudited)
Turnover	3	**547,776**	230,533
Cost of sales		**(428,574)**	(212,534)
Gross profit	3(b)	**119,202**	17,999
Other revenue	4	**4,901**	3,995
Other net income/(loss)	4	**6,142**	–
Selling and distribution expenses		**(36,712)**	(12,709)
Administrative expenses		**(63,395)**	(55,768)
Profit/(loss) from operations		**30,138**	(46,483)
Excess of the net fair value of the acquired net assets over cost		**–**	12,879
Share of results of an associate		**(1,799)**	2,558
Finance costs	5(a)	**(72,274)**	(12,307)
Loss before taxation	5	**(43,935)**	(43,353)
Income tax	6	**(9,334)**	2,239
Loss for the period		**(53,269)**	(41,114)
Attributable to:			
Equity shareholders of the Company		**(50,874)**	(40,856)
Non-controlling interests		**(2,395)**	(258)
Loss for the period		**(53,269)**	(41,114)
Loss per share (RMB cent)			
Basic	7(a)	**(1.2)**	(1.5)
Diluted	7(b)	**(0.4)**	(1.3)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2014 – unaudited
(Expressed in RMB)

	Six months ended 30 September	
	2014	2013
	RMB'000	*RMB'000*
		Restated
	(Unaudited)	(Unaudited)
Loss for the period	**(53,269)**	(41,114)
Other comprehensive loss for the period (after tax):		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation into presentation currency	**(95)**	(607)
Other comprehensive loss for the period	**(95)**	(607)
Total comprehensive loss for the period	**(53,364)**	(41,721)
Attributable to:		
Equity shareholders of the Company	**(50,969)**	(41,463)
Non-controlling interests	**(2,395)**	(258)
Total comprehensive loss for the period	**(53,364)**	(41,721)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2014 – unaudited
(Expressed in RMB)

	Note	30 September 2014 RMB'000 (Unaudited)	31 March 2014 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**888,376**	896,831
Investment properties		**2,065,480**	2,065,480
Goodwill		**43,313**	43,313
Intangible assets		**15,062**	17,749
Interests in an associate		**47,145**	48,944
Available-for-sale investments		**82,881**	84,881
Deferred tax assets		**31,462**	57,740
		3,173,719	3,214,938
Current assets			
Available-for-sale investments		**550,000**	250,000
Inventories		**176,774**	159,533
Trade and other receivables	8	**190,783**	240,345
Restricted bank deposits		**99,548**	62,762
Cash and cash equivalents		**148,606**	55,020
		1,165,711	767,660
Current liabilities			
Trade and other payables	9	**461,461**	434,252
Deposits for disposal of investment properties	13	**534,600**	–
Bank and other loans		**618,845**	750,052
Income tax payable		**6,068**	5,322
		1,620,974	1,189,626
Net current liabilities		**(455,263)**	(421,966)
Total assets less current liabilities		**2,718,456**	2,792,972

	Note	30 September 2014 RMB'000 (Unaudited)	31 March 2014 RMB'000 (Audited)
Non-current liabilities			
Bank and other loans		**328,380**	343,566
Convertible bonds	12	**226,312**	209,019
Deferred tax liabilities		**589,623**	612,882
		1,144,315	1,165,467
NET ASSETS		**1,574,141**	1,627,505
CAPITAL AND RESERVES			
Share capital		**36,138**	36,138
Reserves		**1,469,290**	1,520,259
Total equity attributable to equity shareholders of the Company		**1,505,428**	1,556,397
Non-controlling interests		**68,713**	71,108
TOTAL EQUITY		**1,574,141**	1,627,505

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2014

(Expressed in RMB)

	Attributable to equity shareholders of the Company										
	Share capital *RMB'000*	Share premium *RMB'000*	Capital redemption reserve *RMB'000*	Statutory reserves *RMB'000*	Contributed surplus *RMB'000*	Exchange reserve *RMB'000*	Property revaluation reserve *RMB'000*	Accumulated (losses)/ profit *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 April 2013	22,724	145,494	1,341	4,543	56,236	(16,921)	8,594	(37,799)	184,212	–	184,212
Changes in equity for the period ended 30 September 2013:											
Loss for the period	–	–	–	–	–	–	–	(40,856)	(40,856)	(258)	(41,114)
Other comprehensive loss	–	–	–	–	–	(607)	–	–	(607)	–	(607)
Total comprehensive loss for the period	–	–	–	–	–	(607)	–	(40,856)	(41,463)	(258)	(41,721)
Issuance of shares on acquisition of subsidiaries	13,414	395,734	–	–	–	–	–	–	409,148	72,740	481,888
Appropriation to reserve	–	–	–	1,469	–	–	–	(1,469)	–	–	–
	13,414	395,734	–	1,469	–	–	–	(1,469)	409,148	72,740	481,888
At 30 September 2013 (Unaudited)	36,138	541,228	1,341	6,012	56,236	(17,528)	8,594	(80,124)	551,897	72,482	624,379
At 1 April 2014	36,138	541,228	1,341	8,610	56,236	(17,109)	8,594	921,359	1,556,397	71,108	1,627,505
Changes in equity for the period ended 30 September 2014:											
Loss for the period	–	–	–	–	–	–	–	(50,874)	(50,874)	(2,395)	(53,269)
Other comprehensive loss	–	–	–	–	–	(95)	–	–	(95)	–	(95)
Total comprehensive loss for the period	–	–	–	–	–	(95)	–	(50,874)	(50,969)	(2,395)	(53,364)
Appropriation to reserve	–	–	–	65	–	–	–	(65)	–	–	–
	–	–	–	65	–	–	–	(65)	–	–	–
At 30 September 2014 (Unaudited)	**36,138**	**541,228**	**1,341**	**8,675**	**56,236**	**(17,204)**	**8,594**	**870,420**	**1,505,428**	**68,713**	**1,574,141**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 September	
	2014	2013
	RMB'000	*RMB'000*
		Restated
	(Unaudited)	(Unaudited)
Net cash from operating activities	**91,043**	178,540
Net cash from investing activities	**203,416**	68,654
Net cash used in financing activities	**(200,720)**	(146,313)
Net increase in cash and cash equivalents	**93,739**	100,881
Cash and cash equivalents as at 1 April	**55,020**	9,207
Effect of foreign exchange rate changes, net	**(153)**	119
Cash and cash equivalent as at 30 September	**148,606**	110,207

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Group's condensed consolidated financial statements have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" and other relevant HKASs and interpretations and the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies adopted and the basis of preparation used in the preparation of the condensed consolidated financial statements of the Group are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2014.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

As at 30 September 2014, the Group had net current liabilities of RMB455,263,000. These consolidated financial statements have been prepared on a going concern basis notwithstanding the net current liabilities of the Group as at 30 September 2014 because the directors of the Company are of the opinion that (i) the Group is up to date with the scheduled repayments on the long-term bank loan repayable on demand and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the Group continues to meet these requirements; and (ii) based on a cash flow forecast of the Group for the year ending 31 March 2015 prepared by the management, which has taken into account the deposit of RMB534,600,000 already received as at 30 September 2014 and the remaining proceeds that would have received upon the completion of the proposed sale of certain of the Group's investment properties, the Group would have adequate funds to meet its liabilities as and when they fall due at least twelve months from the end of the reporting period. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 12, *Disclosure of interests in other entities*
- HKFRS 13, *Fair value measurement*
- Amendments to HKFRS 7 – *Disclosure – Offsetting financial assets and financial liabilities*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impact of the adoption of new or amended HKFRSs are discussed below.

Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in these financial statements has been modified accordingly. In addition, the Group has chosen to use the new titles "statement of profit or loss" and "statement of profit or loss and other comprehensive income" as introduced by the amendments in these financial statements.

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements*, relating to the preparation of consolidated financial statements and HK-SIC 12, *Consolidation – Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 April 2013.

HKFRS 12, Disclosure of interests in other entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards.

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

Amendments to HKFRS 7 – Disclosures – Offsetting financial assets and financial liabilities

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32, Financial instruments: Presentation, and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The adoption of the amendments does not have an impact on these financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of HKFRS 7 during the periods presented.

3. TURNOVER AND SEGMENT REPORTING

(a) Turnover

The principal activities of the Group are the manufacturing and trading of household products, the operation of department stores and supermarkets, the wholesale of wine and beverages and electrical appliances, and investments holding.

Turnover represents the sales value of goods sold to customers (net of value added tax or other sales tax and discounts), net income from concession sales, rental income from operating leases, service fee income, and investment and dividend income.

The amount of each significant category of revenue and net income recognised during the period is analysed as follows:

	Six months ended 30 September	
	2014	2013
	RMB'000	*RMB'000*
		Restated
	(Unaudited)	(Unaudited)
Sales of goods:		
– manufactured and trading of household products	**192,851**	167,289
– retail operation of department stores and supermarkets	**161,261**	30,605
– wholesale of wine and beverages and electrical appliances	**129,790**	22,417
	483,902	220,311
Net income from concession sales	**10,278**	1,901
Rental income from operating leases	**17,085**	3,064
Service fee income	**21,203**	2,588
Investment and dividend income	**15,308**	2,669
	547,776	230,533

Information on revenue from external customers contributing over 10% of the Group's turnover, which arose from the manufacturing and trading of household products business, is as follows:

	Six months ended 30 September	
	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A	**61,332**	38,609
Customer B (Note (i))	**–**	24,353

Note (i): For the period ended 30 September 2014, revenue from Customer B did not exceed 10% of the Group's turnover.

Note (ii): In respect of the Group's operation of department stores and supermarkets, the directors of the Company consider that the customer base is diversified and has no customer with whom transactions have exceeded 10% of the Group's turnover for the period ended 30 September 2014.

Information on gross revenue

Gross revenue represents the gross amount arising from the sales of goods to retail and wholesale customers and concession sales charged to retail customers, rental income from operating leases, service fee income charged to tenants, and investment and dividend income, net of value added tax or other sales tax and discounts.

	Six months ended 30 September	
	2014	2013
	RMB'000	*RMB'000*
		Restated
	(Unaudited)	(Unaudited)
Sales of goods:		
– manufactured and trading of household products	**192,851**	167,289
– retail operation of department stores and supermarkets	**161,261**	30,605
– wholesale of wine and beverages and electrical appliances	**129,790**	22,417
	483,902	220,311
Gross revenue from concession sales	**14,356**	2,625
Rental income from operating leases	**17,085**	3,064
Service fee income	**21,203**	2,588
Investment and dividend income	**15,308**	2,669
	551,854	231,257

Further details regarding the Group's principle activities are disclosed below.

(b) Segment reporting

In view of the acquisition of various new lines of business through the acquisition of subsidiaries, namely the retail business from the operation of department stores and supermarkets and the wholesale of wine and beverages and electrical appliances business, the management of the Group has revisited the Group's future strategies and has decided to change the way in how information is to be reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment.

Operating segments of the Group comprise the following:

– Manufacturing and trading: this segment manufactures and trades plastic and metallic household products.

– Retail: this segment manages the department stores and supermarket operations.

– Wholesale: this segment carries out the wholesale of wine and beverages and electrical appliances business.

– Investments holding: this segment manages the investments in debt and equity securities.

No operating segments have been aggregated to form the above reportable segments.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and net income are allocated to the reportable segments with reference to revenue and net income generated by those segments and the expenses incurred by those segments. Inter-segment sales are priced with reference to prices charged to external parties for similar products or services. Other than inter-segment sales, assistance provided by one segment to another is not measured.

The measure used for reporting segment profit is gross profit. After the Group's acquisition of the retail and wholesale segment as mentioned above, the management of the Group considers it is more important to focus on profitability of each of the operating segment. As a result, the treasury function is more centrally managed by the Group and resources have been deployed across the various segments to increase efficiency at a group level. Consequently, the Group's operating expenses such as selling and distribution expenses and administrative expenses, and assets and liabilities are no longer monitored by the Group's senior executive management based on segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses are presented.

Comparative figures have been adjusted to conform to the current period's segment presentation.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for each of the period ended 30 September 2014 and 2013 is set out below.

	At 30 September 2014(Unaudited)				
	Manufacturing and trading	Retail	Wholesale	Investments holding	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue and net income from external customers	192,851	207,448	131,872	15,308	547,479
Inter-segment revenue	–	–	4,078	–	4,078
Reportable segment revenue and net income	192,851	207,448	135,950	15,308	551,557
Reportable segment gross profit	41,750	46,794	15,545	15,308	119,397

	At 30 September 2013 (Unaudited) (Restated)				
	Manufacturing and trading	Retail	Wholesale	Investments holding	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue and net income from external customers	167,289	37,833	22,545	2,669	230,336
Inter-segment revenue	–	–	724	–	724
Reportable segment revenue and net income	167,289	37,833	23,269	2,669	231,060
Reportable segment gross profit	25,513	7,836	(17,674)	2,669	18,344

(ii) Reconciliations of reportable segment revenue and net income

	Six months ended 30 September	
	2014	2013
	RMB'000	*RMB'000*
		Restated
	(Unaudited)	(Unaudited)
Revenue and net income		
Reportable segment revenue and net income	**551,557**	231,060
Elimination of inter-segment revenue	**(4,078)**	(724)
Unallocated revenue	**297**	197
Consolidated turnover	**547,776**	230,533
Gross profit		
Reportable segment gross profit	**119,397**	18,344
Gross loss of unallocated items	**(195)**	(345)
Consolidated gross profit	**119,202**	17,999

(iii) *Geographic information*

The following table sets out information about the geographical location of (i) the Group's revenue and net income from external customers and (ii) the Group's property, plant and equipment, investment properties (excluding the investment property to be disposed of as mentioned in Note 13), intangible assets, goodwill and available-for-sale investments (together as "specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non- current assets is based on the physical location of the assets, in the case of property, plant and equipment and investment properties (excluding the investment property to be disposed of as mentioned in Note 13), the location of the operation to which they are allocated, in the case of intangible assets, goodwill and available-for-sale investments.

	Revenue and net income from external customers		**Specified non-current assets**	
	30 September		**30 September**	31 March
	2014	2013	**2014**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
		Restated		
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
The PRC (including Hong Kong) (place of domicile)	**356,083**	83,096	**1,461,612**	1,474,754
The United States	**167,038**	122,891	**–**	–
Europe	**6,603**	6,955	**–**	–
Canada	**6,777**	1,456	**–**	–
Others	**11,275**	16,135	**–**	–
	547,776	230,533	**1,461,612**	1,474,754

4. OTHER REVENUE AND NET INCOME/(LOSS)

	Six months ended 30 September	
	2014	2013
	RMB'000	*RMB'000*
		Restated
	(Unaudited)	(Unaudited)
Other revenue		
Interest income	**4,329**	2,247
Government grants	**394**	473
Others	**178**	1,275
	4,901	3,995
Other net income/(loss)		
Net gain from sale of scrap materials	**360**	–
Net gain on disposal of property, plant and equipment	**1,506**	–
Net gain on disposal of a subsidiary	**1,415**	–
Others	**2,861**	–
	6,142	–

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Finance costs:

	Six months ended 30 September	
	2014	2013
	RMB'000	*RMB'000*
		Restated
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	**34,123**	9,685
Finance charges on convertible bonds	**4,994**	2,161
Bank charges and other finance costs	**1,785**	461
Total borrowing costs	**40,902**	12,307
Changes in fair value on the derivative components of convertible bonds	**81,657**	–
Net gain on redemption of convertible bonds	**(50,285)**	–
	72,274	12,307

No borrowing costs have been capitalised for the period ended 30 September 2014 (2013: RMB Nil).

(b) **Other items:**

	Six months ended 30 September	
	2014	2013
	RMB'000	*RMB'000*
		Restated
	(Unaudited)	(Unaudited)
Staff costs (excluding directors' emoluments)	**62,911**	40,389
Cost of inventories	**416,044**	188,571
Auditors' remuneration	**992**	1,000
Depreciation and amortisation	**25,975**	12,304
Impairment losses on property, plant and equipment, trade and other receivables	**–**	20,047
Operating lease charges in respect of properties	**18,913**	9,530
Net foreign exchange gain	**2,787**	522

6. TAXATION

Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes in respect of operations in Hong Kong for the period (2013: Nil). The PRC Enterprise Income Tax in respect of operations in Mainland China is calculated at applicable tax rates on the estimated assessable profit for the period based on existing legislation, interpretation and practices in respect thereof.

7. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB50,874,000 (six months ended 30 September 2013(restated):RMB40,856,000) and the weighted average of 4,176,963,794 ordinary shares (2013: 2,774,231,554 ordinary shares) in issue during the interim period.

(b) Diluted loss per share

The calculation of diluted loss per share is based on the loss attributable to ordinary equity shareholders (diluted) of the Company of RMB16,941,000 (six months ended 30 September 2013(restated):RMB39,141,000) and the weighted average of 4,644,936,478 diluted shares (2013: 2,997,357,237 diluted shares) in issue during the interim period.

8. TRADE AND OTHER RECEIVABLES

	30 September 2014 RMB'000 (Unaudited)	31 March 2014 RMB'000 (Audited)
Trade receivables from:		
– Third parties	**56,486**	38,334
– Companies under the control of the Controlling Shareholder (Note (aa))	**96,718**	106,521
– A non-controlling equity holder of a subsidiary of the Group	**7,952**	12,055
– Bills receivables	**–**	4,885
	161,156	161,795
Less: allowance for doubtful debts	**(148)**	(317)
	161,008	161,478
Amounts due from companies under the control of the Controlling Shareholder (Note (bb))	**2,541**	5,403
Prepayments, deposits and other receivables:		
– Prepayments and deposits for operating leases expenses	**10,433**	11,780
– Prepayments for purchase of inventories	**1,519**	3,344
– Advances to third parties	**1,530**	41,819
– Others	**13,752**	16,521
	27,234	73,464
	190,783	240,345

Note (aa): The balance mainly related to transactions under an export agency agreement entered into between the Group and a company under the control of the Controlling Shareholder which has been approved by the independent equity shareholders of the Company on 26 February 2013.

Note (bb): The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

(i) Ageing analysis

Included in trade and other receivables are trade and bills receivables (net of allowance for doubtful debts) with the following ageing analysis (based on the invoice date) as of the end of the reporting period:

	30 September 2014	31 March 2014
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 month	**79,016**	58,854
More than 1 month but less than 3 months	**46,570**	73,071
Over 3 months	**35,422**	29,553
	161,008	161,478

(ii) Impairment of trade and other receivables

Impairment losses in respect of trade and other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and other receivables directly.

The movements in the allowance for doubtful debts during the period/year are as follows:

	30 September 2014	31 March 2014
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
At 1 April	**317**	170
Exchange adjustments	**(4)**	1
Impairment losses recognised	**–**	166
Uncollectible amounts written off	**(165)**	(20)
At 30 September/31 March	**148**	317

At 30 September 2014, the Group's trade and other receivables of RMB148,000 (31 March 2014: RMB317,000) were individually determined to be impaired. The individually impaired receivables related to customers and debtors that were in financial difficulties and management assessed that these receivables are irrecoverable. The Group does not hold any collateral over these balances.

(iii) Trade and bills receivables that are not impaired

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

	30 September 2014 *RMB'000* **(Unaudited)**	31 March 2014 *RMB'000* (Audited)
Neither past due nor impaired	**44,825**	105,429
Less than 1 month past due	**42,966**	31,551
More than 1 month but less than 3 months past due	**21,142**	21,872
More than 3 months past due	**52,075**	2,626
	116,183	56,049
	161,008	161,478

Receivables that were neither past due nor impaired relate to bills receivables from the issuing banks and customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

9. TRADE AND OTHER PAYABLES

	30 September 2014 RMB'000 (Unaudited)	31 March 2014 RMB'000 (Audited)
Trade payables to:		
– Third parties	**112,913**	188,514
– Companies under the control of the Controlling Shareholder	**39,714**	53,908
– Bill payables	**77,898**	22,612
	230,525	265,034
Amounts due to companies under the control of the Controlling Shareholder (Note (i))	**51,177**	18,020
Accrued charges and other payables:		
– Accrued operating lease expenses	**53,305**	20,818
– Payables for staff related costs	**29,466**	26,818
– Payables for costs incurred on investment properties	**6,833**	13,300
– Deposits from supplies	**5,274**	4,639
– Payables for interest expenses	**6,311**	6,141
– Payables for miscellaneous taxes	**1,229**	1,097
– Others	**40,183**	17,002
	142,601	89,815
Financial liabilities measured at amortised cost	**424,303**	372,869
Advances received from customers	**37,158**	61,383
	461,461	434,252

Note:

(i) The amounts are unsecured, non-interest bearing and has no fixed terms of repayment.

All of the trade and other payables are expected to be settled or recognised as revenue within one year or are repayable on demand.

Included in trade and other payables are trade and bills payables with the following ageing analysis (based on the invoice date) as of the end of the reporting period:

	30 September 2014	31 March 2014
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 month	**64,866**	132,002
1 to 3 months	**120,256**	69,847
Over 3 months but within 6 months	**37,256**	57,579
Over 6 months	**8,147**	5,606
	230,525	265,034

10. DIVIDEND

The directors of the Company did not recommend the payment of interim dividend for the period ended 30 September 2014 (2013: Nil).

11. COMMITMENTS

(a) Capital commitments

At 30 September 2014, the outstanding capital commitments of the Group not provided for in the consolidated financial statements were as follows:

	30 September 2014	31 March 2014
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Commitments in respect of leasehold land and buildings, and plant and machinery		
– Contracted for	**945**	927

(b) Operating lease commitments

(i) At 30 September 2014, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	30 September 2014 RMB'000 (Unaudited)	31 March 2014 RMB'000 (Audited)
Within 1 year	**39,550**	34,737
After 1 year but within 5 years	**84,124**	70,692
After 5 years	**39,542**	46,766
	163,216	152,195

The Group leases a number of properties for the use by its supermarkets and manufacturing operations under operating leases. The leases typically run for an initial period of 1 to 20 years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

(ii) At 30 September 2014, the total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	30 September 2014 RMB'000 (Unaudited)	31 March 2014 RMB'000 (Audited)
Within 1 year	**33,184**	37,147
After 1 year but within 5 years	**71,156**	75,952
After 5 years	**9,677**	14,684
	114,017	127,783

The Group leases out part or whole of its department stores and supermarkets and certain of its leasehold land and buildings under operating leases. The leases typically run for an initial period of 1 to 10 years, with an option to renew the lease when all terms are renegotiated. One of the leases includes contingent rentals which are calculated based on a fixed percentage on the tenants' turnover.

12. CONVERTIBLE BONDS

	Liability component	Derivative component	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 April 2014	97,295	111,724	209,019
Accrued finance charges for the period	4,994	–	4,994
Fair value changes on the derivative component	–	81,657	81,657
Redemptions during the period	(14,502)	(52,489)	(66,991)
Exchange adjustments	(1,133)	(1,234)	(2,367)
At 30 September 2014	86,654	139,658	226,312

Notes:

(i) On 30 August 2013, the Company has issued unsecured convertible bonds with an aggregate face value of HKD382,800,000 (equivalent to approximately RMB302,067,000), interest bearing at 3% per annum and maturing on 30 August 2016 to Shi Hui Holdings Limited ("Shi Hui"), a company under the control of the controlling shareholder, as part of the consideration for the Group's acquisition of subsidiaries from Shi Hui, i.e. the Shi Hui Bonds.

Upon issuance, the holder of the Shi Hui Bonds could, at any time up till 30 August 2016, convert the Shi Hui Bonds into the Company's shares at HKD0.3 per share (i.e. the conversion option). The Company has the right to redeem the Shi Hui Bonds in whole or in part at any time before the maturity date at its face value (i.e. the call option). Both the conversion and call options are classified as derivative financial instruments and have been included in the balance of convertible bonds in the consolidated statement of financial position.

(ii) On 31 October 2013 and 31 December 2013, principal amounts of the Shi Hui Bonds of HKD20,760,000 (equivalent to approximately RMB16,447,000) and HKD136,848,000 (equivalent to approximately RMB107,594,000), respectively, have been redeemed and used to set off the Group's amounts due from companies under the control of the controlling shareholder.

On 3 March 2014 and 19 September 2014, the Group has redeemed principal amounts of HKD83,467,000 (equivalent to approximately RMB65,850,000) and HKD20,324,000 (equivalent to approximately RMB16,114,000) respectively of the Shi Hui Bonds in cash.

The fair value change on the derivative component of approximately RMB81,657,000, recognized as loss in the consolidated statement of profit or loss for the six months ended 30 September 2014, was estimated with reference to a valuation as at 19 September 2014 carried out by an independent professional valuer upon the last redemption of the Shi Hui Bonds.

The difference between the redemption and carrying amounts of the redeemed bonds of RMB50,285,000 has been recognised as gain in the consolidated statement of profit or loss during the period ended 30 September 2014.

13. NON-ADJUSTING EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group, through a wholly-owned subsidiary, entered into various agreements with Shenzhen City Xinshun Property Development Co., Ltd. on 19 May 2014 to dispose of the land owned by Jinda Plastic Metal Products (Shenzhen) Co., Ltd. an indirect wholly owned subsidiary of the Company, for a consideration of RMB1,782,000,000. As at the period ended 30 September 2014, the Group received RMB534,600,000 as deposit for the transaction. This transaction was approved by the equity shareholders of the Company on a special general meeting which was held on 8 July 2014.

Up to the date of issue of these financial statements, the Company is still in the process of completing the statutory or legal procedures for this transaction.

14. COMPARATIVE FIGURES

On 30 August 2013, the Group completed the acquisition of 100% interests of Ningbo New JoySun Corp. (the "Acquisition"). The initial accounting for the Acquisition was incomplete as at 30 September 2013, and the Group reported the provisional amounts for the items for which the accounting was incomplete in its interim financial report for the six months ended 30 September 2013.

During the six months ended 30 September 2014, the Group has obtained further information about facts and circumstances that existed as of the date of the Acquisition and it was concluded that certain adjustments had to be made to the provisional amounts originally reported in the interim financial report for the six months ended 30 September 2013. In accordance with IFRS 3 Business Combinations, the Group has retrospectively adjusted the provisional amounts originally reported in the interim financial report for the six months ended 30 September 2013 with details below. The comparative consolidated financial statement of position as at 31 March 2014 as presented in this interim financial report is not affected as the Group has already taken into account these adjustments when preparing its annual financial statements for the year ended 31 March 2014.

(1) Convertible bonds issued as consideration for the Acquisition:

The accounting of the convertible bonds issued as consideration for the Acquisition was subsequently confirmed and consequently it was concluded that the equity component of convertible bonds as reported in the interim financial report for the six months ended 30 September 2013 should have been reported as derivative component. The impact of the retrospective adjustment in this regard is as below:

For the six months ended 30 September 2013

	RMB'000
Increase in administrative expense	(12)
Increase in finance costs	(911)

(2) Fair value of the assets acquired through the Acquisition:

The acquisition-date fair value of certain trade and other receivables and trade and other payables acquired through the Acquisition was subsequently confirmed, with consequential impacts on deferred tax balances on the date of Acquisition and the post-Acquisition cost of sales and income tax expense. The impact of the retrospective adjustment in this regard is as below:

For the six months ended 30 September 2013

	RMB'000
Increase in cost of sales	(21,897)
Decrease in income tax expense	5,474
Decrease in excess of the net fair value of the acquired net assets	(60,758)

The financial impacts of the retrospective adjustments above for the six months ended 30 September 2013 are summarized as below:

	RMB'000
– Decrease in profit for the period, total comprehensive profit for the period, profit for the period attributable to the equity holders of the company and total comprehensive income for the period attributable to the equity holders of the company	78,104
– Decrease in basic earnings per share	RMB2.8cent
– Decrease in diluted earnings per share	RMB2.5cent

As a result of the application of HKAS 1, "Presentation of Financial Statements", and HKFRS 8, "Operating Segments", certain comparative figures have been adjusted to conform to current period's presentation and to provide comparative amounts in respect of items disclosed for the first time for the year ended 31 March 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

General Information

For the six months ended 30 September 2014, the Group recorded a turnover of approximately RMB547.8 million, representing an increase of 138% when compared with the turnover of approximately RMB230.5 million reported for the corresponding period last year. Net loss for the six months ended 30 September 2014 was approximately RMB53.3 million compared to a net loss of RMB41.1 million (restated to reflect the valuation of convertible bonds finalized only after the release of the interim results last year) for the corresponding period last year. The Group's basic and diluted loss per share were RMB1.2 cent and RMB0.4 cent respectively, which had been improved from the restated basic and diluted loss per share of RMB1.5 cent and RMB1.3 cent respectively for the corresponding period last year.

Liquidity and Financial Resources

As at 30 September 2014, the Group's net assets were approximately RMB1,574.1 million, rendering net asset value per share at RMB37.7 cent. The Group's total assets at that date were valued at RMB4,339.4 million, including cash and bank deposits of approximately RMB248.2 million and current available-for-sale investments of RMB550.0 million. Consolidated bank loans, convertible bonds and other borrowings amounted to RMB1,173.5 million. Its debt-to-equity ratio (bank loans, convertible bonds and other borrowings over total equity) has been decreased from 80.0% as at 31 March 2014 to 74.6% as at 30 September 2014.

Most of the Group business transactions were conducted in RMB and USD. As at 30 September 2014, the Group's borrowings were denominated in RMB, HKD and USD.

Capital Structure

On 30 August 2013, the Company allotted and issued 1,700,000,000 consideration shares at the issue price of HKD0.30 per share and consideration convertible bonds in the principal amount of HKD382.8 million at the initial conversion price of HKD0.30 per share to Shi Hui Holdings Limited, which is wholly owned by Big-Max Manufacturing Co., Limited, the majority shareholder of the Company. For details of this major change in the capital structure of the Company, please refer to the circular of the Company dated 22 May 2013. On 31 October 2013, 31 December 2013, 3 March 2014 and 19 September 2014, the Company partially redeemed approximately HKD20.8 million, HKD136.8 million, HKD83.5 million and HKD20.3 million convertible bonds and the remaining balance as at 30 September 2014 was HKD121.4 million. As at 30 September 2014, the Group's major borrowings included bank loans, which had an outstanding balance of RMB942.2 million, other borrowings from a third party and convertible bonds at fair market value totaling RMB231.3 million. All of the Group's borrowings have been denominated in RMB, HKD and USD.

Pledge of Assets

The Group's leasehold land and buildings and investment properties with a carrying amount of RMB2,656.5 million as at 30 September 2014 were pledged to secure bank borrowing and facilities of the Group.

Capital Expenditure and Commitments

The Group will continue to allocate a reasonable amount of resources to acquisition, better utilization of the Company's assets, and improvement of capital assets to improve operations efficiency and to meet customer needs and market demands. Sources of funding are expected to come primarily from trading revenue that the Group will generate from operations, alternative debt and equity financing, and disposal of assets. In particular, the disposal of the land of the previous factory of the Group in Shenzhen is now in the process of asset transfer and has been generating very significant funding for the Group.

Exposure to Foreign-Exchange Fluctuations

The functional currency of the Company is RMB and the Group's monetary assets and liabilities were principally denominated in RMB, HKD and USD. The Group considers the risk exposure to foreign currency fluctuation would be in line with the gradual appreciation of RMB. Given that RMB is not yet an international hard currency, there is no effective method to hedge the relevant risk for the size and cash flow pattern of the Group. However, as most of the Group's raw materials procurement for its manufacturing business were settled in USD and HKD and most of the Group's customers accept the passing-on of the rising cost, to various extent, due to the appreciation of RMB, the effect arising from the relevant risk can be reduced. Looking forward, as the Chinese Government is driving RMB to get more internationalized and towards free floating in the coming years, we expect more hedging tools will be available in the currency market. The Group will monitor closely the development of currency policy of the Chinese Government and the availability of the hedging tools which are appropriate for the manufacturing business operations of the Group in this respect. With the acquisition of the domestic retail and wholesale business in Ningbo, China in August 2013, the Group added a very substantial portion of business which has both revenues and expenditures essentially in RMB. From this perspective, the currency exposure of the Group would be relatively diluted.

Segment Information

With the acquisition of New JoySun group, retail and wholesale business has emerged to become the most important business segment of the Group in the six months ended 30 September 2014 and accounted for 61.9% of total turnover. Manufacturing and trading business and investments holding business had 35.3% and 2.8% of the remaining.

In terms of geographical location, China became the Group's primary market, which accounted for 65.0% of total revenue. The remaining comprised of revenue from North America 31.7%, Europe 1.2% and others 2.1%.

Contingent Liabilities

As at 30 September 2014, the Group pledged certain leasehold land and buildings and investment properties with an aggregate carrying amount of approximately RMB119.9 million to secure bank loans borrowed by the related companies under the control of Mr. Li Lixin, Chairman of the Company. Such arrangements were made by New JoySun group prior to the acquisition in August 2013. The directors of the Company do not consider it probable that a claim in excess of the provision for warranties provided by the Group will be made against the Group under any of the guarantees. The maximum liability of the Group as of the close of business under the guarantees issued is RMB47.0 million being the balance of the principal amount of the bank loans the Group pledged for.

Investments in New Businesses

During the six months ended 30 September 2014, our equity interest in Veritas-Msi (China) Co., Ltd. ("VMCL") remained at 24.76%. VMCL is an associate company of the Group. The core business of VMCL is in the development and application of separation technology and multiphase measurement sciences for the oil and gas industry. The Company is optimistic with the potential business growth of VMCL.

Another investment in new business in recent years is QL Electronics Co., Ltd. ("QLEC"). During the six months ended 30 September 2014, our equity interest in QLEC was maintained at 8.54%. The core business of QLEC is in the development and manufacturing of semiconductor materials. As an investor, the Company is satisfied with the business performance and the dividend policy of QLEC.

The latest investment of the Company is the acquisition of 95% beneficiary interest in certain department stores and supermarket chain in Ningbo from its substantial Shareholder which was approved by the independent Shareholders of the Company on 7 June 2013 and completed on 30 August 2013. Furthermore, on 21 June 2013, the Company also announced the acquisition of the remaining 5% beneficiary interest in those department stores and supermarket chain mentioned above from an independent party so that, upon completion of these two acquisitions, the department stores and supermarket chain became wholly owned by the Group. For details of the investment, please refer to announcement dated 5 March 2013, the circular dated 22 May 2013 and the announcement dated 21 June 2013 released by the Company. This investment has brought substantial business growth to the Group and broadened our business with a new retail and wholesale sector which is widely considered to be a good market with the continuous economic growth of China.

The Directors consider the new businesses have good business prospects. We are optimistic on the values of these investments and contribution of financial results brought to the Group in the future.

Employee Information

As at 30 September 2014, the Group employed a workforce of 2,394 employees in its various chain stores, offices and factories located in Hong Kong and the PRC. Competitive remuneration packages were provided and commensurate with individual responsibilities, qualifications, experience and performance. The Group provided management skills workshops, practical seminars for knowledge update, on-the-job training and safety training programs to its employees. There is a share-option scheme in force but no share option was granted during the six months ended 30 September 2014.

Review of Operations

For the six months ended 30 September 2014, the Group recorded a net loss of RMB53.3 million, compared to the restated net loss of RMB41.1 million (for details of the restatement, please refer to note 14) for the corresponding period last year. The increase in the net loss was primarily attributable to the negative change of RMB81.7 million in the fair value on the derivative component of the convertible bonds issued by the Company for the acquisition of New JoySun group in August 2013.

Revenue

Total revenue increased by 138% to RMB547.8 million for the six months ended 30 September 2014 as compared with the corresponding period last year. Excluding six months' contribution by the newly acquired New JoySun Group (versus only one month's contribution in the six months ended 30 September 2013), the Group's total revenue for the six months ended 30 September 2014 would have been RMB194.1 million, representing an increase of 14.4% as compared with the corresponding period last year.

Manufacturing and Trading Business

During the six months ended 30 September 2014, the manufacturing and trading business contributed approximately RMB192.8 million to the total revenue of the Group. The business of this segment grew by RMB25.5 million when compared with the corresponding period last year of approximately RMB167.3 million. The improvement was mainly supported by the complete integration of the relocated facilities with existing operations in Ningbo, order growth from existing customers and the development of new products and customers. While we are pleased with the positive development from the consolidation of the manufacturing facilities of the Group into one location in Ningbo, the management team of this business segment is still working to maximize the benefits from synergies of plant consolidation in various aspects of operations.

Retail and Wholesale Business

The acquisition of retail and wholesale business in Ningbo, PRC, contributed revenue of RMB207.5 million and RMB131.9 million respectively during the six months ended 30 September 2014.

Investments Holding Business

Dividend income and investment income received during the six months ended 30 September 2014 were RMB0.9 million and RMB14.4 million respectively.

PROSPECTS

Further Strengthening Our Competence and Competitiveness in the Business of Household Products

Relocation of the Group's manufacturing plant in Shenzhen to Ningbo, PRC, was completed. The manufacturing facilities of household products of the Group is now consolidated in one location in Ningbo. Though plant relocation had been a difficult process and resulted in disturbances in our plant operations and business development, the benefit on our operations in terms of efficiency improvement in management resources and synergies in scale procurement and production operations began to take place and contribute to the business on long-term basis. The Group will continue its cost control measures and business strategy of focusing on higher margin products and customers that have been improving the segment's business and financial performance. Apart from the continuing effort in cost control measures such as integration and realignment of management and sales resources, structural changes in procurement and manufacturing planning and exploration of relocation of its production facilities (or part of them) to lower cost areas, the Group will step up its efforts to develop new products. Besides, the Group will also enlarge our customer base in both existing and emerging markets. We shall also monitor closely the volatility of global financial markets, the extension or withdrawal of quantitative easing measures and anti-inflation actions in the economies of different markets and adjust our sales and purchase strategies accordingly to achieve our goal of continuous business growth and performance improvement.

Disposal of the Land of the Previous Shenzhen Plant

On 19 May 2014, Jinda Plastic Metal Products (Shenzhen) Co., Limited ("Jinda Plastic"), an indirect wholly-owned subsidiary of the Company, and Shenzhen City Xinshun Property Development Company Limited entered into the Relocation Compensation Agreement and the Supplementary Agreement in relation to the proposed disposal of the land owned by Jinda Plastic and situated within the Jinda Industrial Area which was the location of the previous Shenzhen plant of the Group. The aggregate amount of compensation would be RMB1,782 million and settled in cash. The Directors considered that the transaction would be in the interests of the Company and the Shareholders as a whole. For details of this transaction, please refer to the announcement of the Company dated 27 May 2014 and the circular of the Company dated 18 June 2014. A special general meeting was be held on 8 July 2014 and the transaction was approved by the Shareholders. The Directors further considered that the disposal of the land in Shenzhen would provide very substantial funding for the Group to improve the internal working capital position and make future investment(s) or acquisition(s) should there be such appropriate opportunities. This transaction is still in the process of asset transfer and settlement of consideration has been executing by phases according to the terms of the agreements. As at the date of these financial statements, the Group has not made any decision on the use of funds generated from this asset disposal.

Expanding into New Businesses with Growth Potential

In addition to the investments in QLEC and VMCL in 2010 and 2012 respectively, the acquisition of retail and wholesale business in Ningbo was completed on 30 August 2013. The consideration of HKD892.8 million was settled by the issuance of new shares and convertible bonds. The acquisition of the remaining 5% beneficiary interest from an independent party was completed at the consideration of RMB31.7 million and settled by internal financial resources of the Group. With substantial funding to be available upon completion with the disposal of the land in Shenzhen within the next few months, the management will actively look into investment and acquisition targets of appropriate and reasonable valuation and consider other uses of fund for the best benefit of the Company and the Shareholders as a whole. The investment objectives of the Group will be in driving impactful business growth, strengthening further competitive advantage of existing business segments and enhancing the return to the Shareholders.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2014, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

Name	**Capacity**	**Number of shares/ underlying shares** *(Note 1)*	**Approximate percentage of the issued share capital of the Company**
Mr Li Lixin	*(Note 2)*	3,435,162,715(L)	82.24%
		3,454,364,442(S)	82.70%

Note 1: (L) denotes long positions (S) denotes short positions

Note 2: Mr Li Lixin's interest in 3,030,493,014 shares is held as to 5,892,000 shares personally, 15,620,000 shares through his spouse Jin Yaer, 1,328,981,014 shares through Big-Max Manufacturing Co., Limited ("Big-Max") and 1,680,000,000 shares through Shi Hui Holdings Limited which is wholly-owned by Big-Max. Shi Hui Holdings Limited is interested in 404,669,701 underlying shares. The issued share capital of Big-Max is beneficially owned as to 90% by Mr Li Lixin and as to 10% by his spouse, Jin Yaer.

Furthermore, no share options had been granted under the Company's share option scheme since its adoption on 31 August 2012 and there were no other options outstanding at the beginning or the end of the period ended 30 September 2014. Other than that, at no time during the period ended 30 September 2014 was the Company or any of its subsidiaries a party to any arrangements to enable the directors to acquire benefits by means of the acquisition of share in, or debentures of, the Company or any other body corporate and none of the directors, their spouses or children under the age of 18 have any right to subscribe for the securities of the Company, or had exercised any such right during the period ended 30 September 2014.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2014, the interests or short positions of every person, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	Capacity	Number of shares/ underlying shares *(Note)*	Approximate percentage of the issued share capital of the Company
China Cinda (HK) Holdings Company Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%
China Cinda Foundation Management Company Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%
Cinda General Partner Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%
Cinda International Holdings Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%
Cinda Retail and Consumer Fund L.P.	Beneficial owner/ beneficiary of a trust	2,839,789,871 (L)	67.99%

Name	Capacity	Number of shares/ underlying shares *(Note)*	Approximate percentage of the issued share capital of the Company
Cinda Strategic (BVI) Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%
Rainbow Stone Investments Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%
Sinoday Limited	Interest in controlled corporation	2,839,789,871 (L)	67.99%
中國信達資產管理股份有限公司 (China Cinda Asset Management Co., Ltd.)	Interest in controlled corporation	2,839,789,871 (L)	67.99%
Central Huijin Investment Ltd.	Person having a security interest in shares/interest in controlled corporation	3,071,951,299 (L)	73.55%
China Construction Bank Corporation	Person having a security interest in shares/interest in controlled corporation	3,071,951,299 (L)	73.55%
Cinda (BVI) Limited	Interest in controlled corporation	2,700,493,014 (L)	64.65%
Cinda International Securities Limited	Trustee (other than a bare trustee)	2,700,493,014 (L)	64.65%
HNW Investment Fund Series SPC acting for and on behalf of Benefit Segregated Portfolio	Beneficial owner/ person having a security interest in shares	2,963,609,299 (L)	70.95%

Note: (L) denotes long positions

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during this period.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with the management the accounting principles and practice adopted by the Group and discussed internal controls, auditing and financial reporting matters including a review of the audited consolidated financial statements for the period ended 30 September 2014.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

In the opinion of the Directors, the Company has complied with the Code of Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules issued by the Stock Exchange throughout the period ended 30 September 2014 saved for the following:

Under code provision E1.2 the chairman of the board and the chairmen of the audit, remuneration and nomination committees should attend the annual general meeting. The chairman of the board and the chairman of the remuneration committee of the Company were unable to attend the annual general meeting held during the period due to their other commitments.

MODEL CODE

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issued (the "Model Code") as set out in Appendix 10 of the Listing Rules issued by the Stock Exchange. All Directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the period ended 30 September 2014.

PUBLICATION OF THE FURTHER INFORMATION

The 2014/2015 interim report of the Company containing all information required by Appendix 16 to the Listing Rules will be published on both the websites of The Stock Exchange and the Company in due course.

By Order of the Board
Li Lixin
Chairman

Hong Kong, 28 November 2014

LISI GROUP (HOLDINGS) LIMITED
利時集團(控股)有限公司

Workshop 06 & 07, 36th Floor, King Palace Plaza, No. 52A Sha Tsui Road,
Tsuen Wan, New Territories, Hong Kong
香港新界荃灣沙咀道52A號皇廷廣場36樓06-07室